



## Title and Closing Tips, Part 1

May 2005

With the busy real estate season beginning, we thought this would be a great time to pass along some helpful hints and friendly reminders of a few small things you can do to help assure a great closing. We'll include more tips in June's Technical Bulletin.

### O&Es

- It only takes a minute to call for a free **verbal O&E** prior to doing a listing. This assures that all parties in title are signing off on the listing agreement and lets you know of any problem (or surprise) encumbrances.
- We also offer **online ordering of O&Es** at [www.LTGC.com](http://www.LTGC.com).
- It may be helpful to remember that Ownership and Encumbrance reports do **not** include a name search of the property owner. O&Es reflect only information recorded against the **legal description**.
- For the most efficient and accurate service, try to have as much information as possible (address, legal description, etc.) **at your fingertips** before calling for an O&E.

### Contracts

- The title company prepares all title and closing documents based on what is on the **contract**, so be sure to double check for **accurate** legal description, vesting, etc.
- On the contract itself it's best to **print clearly or even type**.
- More is better. Including **as much** (not as little) information as possible in the contract (and in the Closing Control Sheet) can save numerous phone calls back and forth between closer and real estate agent after the order has been placed.
- When buyers or sellers have a **common name**, try to obtain a **middle initial** and **social security number** and provide that

information when the order is placed. Most times, this will solve any issue before it becomes a problem—those embarrassing judgments may never even show up on the title commitment to needlessly alarm your clients.

### Ordering Title Work

- It is helpful to the title company when the Realtor can provide **Homeowners Association** information, including **phone number**, when placing the order.
- When doing a **tax-deferred exchange**, give as much information as possible to the closing agent, including the name, phone, and fax number of the Qualified Intermediary. (Don't forget Land Title has our own Qualified Intermediary, Land Title Exchange Corporation, which has completed over 6,000 successful exchanges nationally. Call 303-636-2660 for more information.)
- When writing a contract, try to allow at least **five days** for the title commitment deadline. If the deal goes through counter-proposals for several days, you can protect all parties by **changing the deadline** to allow ample time for production and delivery of the title commitment.
- We can provide the most efficient service if we receive a **complete legal description** when the title order is placed.
- Closing Control Sheets are always available from Land Title at no extra charge. Including a **Closing Control Sheet** with the real estate contract when the title order is placed is a great way to avoid those pesky games of phone-tag. (For example, existing lender, new lender, HOA, and commission information are not included on the contract, so we end up calling agents for that information.)
- If you need **HOA financials, by-laws, and minutes** at the time of listing, call

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your Land Title salesperson or closer, who will be happy to help you. Because the process of obtaining this information can be time-consuming, please be sure to call **as soon as you know** you will need this information, preferably **at the time of listing**.

### The title commitment

- When receiving the first title commitment on a given order, **review it thoroughly** (for accurate spelling, correct sales price, etc.) and address any issues immediately with the title company. On any subsequent title commitments, the information that has been changed will be **underlined** so you and your clients can find it quickly.
- When you receive the title commitment, one of the first items to check is the **sellers' names**. If one of the sellers is deceased, the title company might not know unless the death certificate has been recorded.
- We will **automatically** give a **reissue rate** for up to three years if we have determined that a prior title policy (from any title company) was issued during this time.
- **Child support judgments** remain attached to a property or person until they are satisfied.

### Scheduling the closing

- Real estate agents may want to call their closer first for **available times** before confirming a closing time with their customers.
- It's a good idea to let the closer know ahead of time if you know there will be both a **first and second mortgage** at the closing. The closer will be able to schedule more time and not be late for his or her next closing.
- Remember to schedule any closing with an FHA payoff **prior** to the last day of the month. If we don't get lender funds on the day of closing, this can delay disbursement of the payoff and an additional month's interest would be due to the payoff lender.
- If your seller has a mortgage in existence, you may save your client money by choosing **not** to close on **Friday**. If lender receipt of the payoff funds is delayed by the weekend, the seller could pay three days' additional interest.
- Due to the large volume of closings at month-end, it may be easier to get your preferred closing time when you schedule closings at other times of the month. There is **usually** no financial advantage to closing at month-end. (See our June 2004 Technical Bulletin on the **benefits of mid-month closings** by visiting our website at [www.LTGC.com](http://www.LTGC.com) and clicking on "Articles and Technical Bulletins.")
- **Maps and driving directions** to all Land Title locations are available on our website at [www.LTGC.com](http://www.LTGC.com).

### Lenders

- We are more likely to get **figures in advance** when there is close communication between the selling agent and the buyer's lender.
- Remember that when the lender wires money, it's not just a keystroke but a **3-4 hour process**. For example, if funds are wired at 2:00 for a 2:00 closing, chances are the transaction will not fund that day.
- A federal tracking number does **not** mean the funds are available for closing. By law, Colorado title companies must have **physical funds** in the bank in order to disburse.
- The new lender will require evidence of **hazard insurance** on the subject property at closing.

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